



June 15, 2010

The Honorable Harry Reid  
Senate Majority Leader  
United States Senate  
Washington, D.C. 20510

The Honorable Mitch McConnell  
Senate Minority Leader  
United States Senate  
Washington, D.C. 20510

The Honorable Max Baucus  
Chairman, Senate Finance Committee  
United States Senate  
Washington, DC 20510

The Honorable Charles Grassley  
Ranking Member, Senate Finance Committee  
United States Senate  
Washington, D.C. 20510

Dear Senators:

As President and CEO of the American Public Power Association (APPA), I am writing in support of the proposed amendment to the tax extenders legislation by Senators Maria Cantwell (D-WA) and George LeMieux (R-FL) that would extend and expand Section 1603 of the American Recovery and Reinvestment Act (ARRA). APPA represents the interests of the more than 2,000 publicly-owned electric utility systems across the country, collectively serving approximately 45 million Americans.

As you know, Section 1603 of the ARRA provides grants in lieu of tax credits to private companies for renewable energy facilities for 30% of the total project cost. APPA strongly supports the Cantwell/LeMieux amendment to expand the existing program to include public power entities while also extending that program for two years.

This program was originally created to address the difficulties of private utilities and developers in financing new renewable energy facilities in the current economic climate. Publicly-owned utilities are facing similar economic difficulties. While the Clean Renewable Energy Bond (CREB) program has been an enormous benefit to public power since its enactment in 2005, unfortunately, the volume cap that Congress has placed on CREBs has limited the ability of public power to use this important tool to lower the costs of renewable energy generation for our customers.

Because of the current limitations on CREBs, some of our members have chosen to build new generation facilities in partnership with private developers that are able to access the Section 1603 program. However, these arrangements only allow our members to receive a portion, if any, of the grants' benefits and do not allow them to own their own generation.

Allowing public power utilities direct access to the Section 1603 program and lifting the cap on the CREB program would give public power the same menu of options provided to for-profit utilities by directly benefitting public power, and allowing our members to own the generation outright. These outcomes will lower costs to our customers which is in keeping with the spirit of the program.

For all of these reasons APPA is pleased to offer our support of this amendment and we urge your support as well.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark Crisson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Mark Crisson  
President and CEO

cc: Senator Maria Cantwell  
cc: Senator George LeMieux